



Township of Columbus

St. Clair County, Michigan

74-1080

Audited Financial Report

March 31, 2004

Lehn L. King

Certified Public Accountant

Marlette, Michigan

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Name (Specify) <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other Township of Columbus			County St. Clair
Audit Date March 31, 2004	Opinion Date June 3, 2004	Date Accountant Report Submitted to State: June 3, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) LEHN KING, C.P.A.			
Street Address 3078 S. MAIN STREET	City MARLETTE	State MI	ZIP 48453
Accountant Signature <i>John King, C.P.A.</i>			

Township of Columbus
Annual Financial Report
For The Fiscal Year Ended March 31, 2004

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Members of the Township Board
Columbus Township
St. Clair, Michigan

Independent Auditor's Report

I have examined the General Purpose Financial Statements of Columbus Township as of March 31, 2004, as listed in the Table of Contents, for the year then ended. These financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, Columbus Township prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, except for the omission of the information mentioned in the preceding paragraph, the accompanying statements present fairly the General Purpose Financial Statement of Columbus Township at March 31, 2004, and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1.

My examination was made for the purpose of forming an opinion on the General Purpose Financial Statements taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the General Purpose Financial Statements of Columbus Township. This information has been subjected to the auditing procedures applied in the examination of the General Purpose Financial Statements and, in my opinion, is stated fairly in all material respects in relation to the General Purpose Financial Statements taken as a whole.

Lehn King

Lehn L. King, C.P.A.
Certified Public Accountant

June 3, 2004

**Combined Statements -
Overview**
(General Purpose Financial Statements)

Township of Columbus
 Combined Balance Sheet - Cash Basis
 All Fund Types - Account Groups
 March 31, 2004

	Governmental Fund Type			Account Groups	Totals (Memorandum Only)
	General Fund	Special Revenue Building Inspection Fund	Fiduciary Fund Types	General Fixed Assets	March 31, 2004
<u>Assets</u>					
Cash in Checking & Savings	\$ 553,268	\$ 30,767	\$ 483,320	\$ 0	\$ 1,067,355
Investments	0	0	189,518	0	189,518
Due From Tax Account	305,732	0	0	0	305,732
Due From Trust & Agency	87,474	0	0	0	87,474
Property, Plant, & Equipment	0	0	0	430,092	430,092
<u>Total Assets</u>	<u>\$ 946,474</u>	<u>\$ 30,767</u>	<u>\$ 672,838</u>	<u>\$ 430,092</u>	<u>\$ 2,080,171</u>
<u>Liabilities & Fund Equity</u>					
<u>Liabilities</u>					
Payroll Taxes Payable	\$ 2,092	\$ 707	\$ 0	\$ 0	\$ 2,799
Due to General Fund	0	0	393,206	0	393,206
Performance Bonds	0	0	89,145	0	89,145
Deferred Compensation Payables	0	0	189,518	0	189,518
Due to Other Units	0	0	969	0	969
<u>Total Liabilities</u>	<u>\$ 2,092</u>	<u>\$ 707</u>	<u>\$ 672,838</u>	<u>\$ 0</u>	<u>\$ 675,637</u>
<u>Fund Equity</u>					
Investment in General Fixed Assets	\$ 0	\$ 0	\$ 0	\$ 430,092	\$ 430,092
Fund Balances:					0
Designated - Parks	13,832	0	0	0	13,832
Designated - Land Reclamation	28,882	0	0	0	28,882
Undesignated - Unreserved	901,668	30,060	0	0	931,728
<u>Total Fund Equity</u>	<u>\$ 944,382</u>	<u>\$ 30,060</u>	<u>\$ 0</u>	<u>\$ 430,092</u>	<u>\$ 1,404,534</u>
<u>Total Liabilities & Fund Equity</u>	<u>\$ 946,474</u>	<u>\$ 30,767</u>	<u>\$ 672,838</u>	<u>\$ 430,092</u>	<u>\$ 2,080,171</u>

The notes are an integral part of the statements.

Township of Columbus
 Combined Statement of Revenues, Expenditures,
 And Changes in Fund Balance - Cash Basis
 Actual Compared to Budget - All Governmental Fund Types
 For The Year Ended March 31, 2004

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General Fund</u>	<u>Special Revenue Building Inspection Fund</u>	
<u>Revenues</u>			
Property Taxes	\$ 121,165	\$ 0	\$ 121,165
Garbage Assessment	119,458	0	119,458
State Shared Revenue	313,587	0	313,587
Licenses, Permits, & Fees	0	73,337	73,337
Interest Earnings	7,893	0	7,893
Miscellaneous Revenues	<u>127,101</u>	<u>0</u>	<u>127,101</u>
<u>Total Revenues</u>	<u>689,204</u>	<u>73,337</u>	<u>762,541</u>
<u>Expenditures</u>			
General Government	275,703	0	275,703
Public Safety	112,112	61,657	173,769
Highways, Streets, & Bridges	<u>139,909</u>	<u>0</u>	<u>139,909</u>
<u>Total Expenditures</u>	<u>527,724</u>	<u>61,657</u>	<u>589,381</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	161,480	11,680	173,160
<u>Fund Balances - April 1, 2003</u>	<u>782,902</u>	<u>18,380</u>	<u>801,282</u>
<u>Fund Balances - March 31, 2004</u>	<u>\$ 944,382</u>	<u>\$ 30,060</u>	<u>\$ 974,442</u>

The notes are an integral part of the statements.

Township of Columbus
 Combined Statement of Revenues, Expenditures,
 And Changes in Fund Balance - Cash Basis
 Actual Compared to Budget - All Governmental Fund Types
 For The Year Ended March 31, 2004

	Governmental Fund Types								
	General Fund			Special Revenue Building Inspection Fund			Totals (Memorandum Only)		
	Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
Revenues									
Property Taxes	\$ 109,213	\$ 121,165	\$ 11,952	\$ 0	\$ 0	\$ 0	\$ 109,213	\$ 121,165	\$ 11,952
Garbage Assessment	0	119,458	119,458	0	0	0	0	119,458	119,458
State Shared Revenue	300,000	313,587	13,587	0	0	0	300,000	313,587	13,587
Licenses, Permits, & Fees	925	0	(925)	0	73,337	73,337	925	73,337	72,412
Interest Earnings	4,000	7,893	3,893	0	0	0	4,000	7,893	3,893
Miscellaneous Revenues	59,609	127,101	67,492	0	0	0	59,609	127,101	67,492
Total Revenues	\$ 473,747	\$ 689,204	\$ 215,457	\$ 0	\$ 73,337	\$ 73,337	\$ 473,747	\$ 762,541	\$ 288,794
Expenditures									
General Government	249,156	275,703	(26,547)	0	0	0	249,156	275,703	(26,547)
Public Safety	103,860	112,112	(8,252)	0	61,657	(61,657)	103,860	173,769	(69,909)
Highway, Streets, & Bridges	142,000	139,909	2,091	0	0	0	142,000	139,909	2,091
Total Expenditures	495,016	527,724	(32,708)	0	61,657	(61,657)	495,016	589,381	(94,365)
Excess of Revenues Over (Under) Expenditures	(21,269)	161,480	182,749	0	11,680	11,680	(21,269)	173,160	194,429
Fund Balances - April 1, 2003	782,947	782,902	(45)	18,380	18,380	0	801,327	801,282	(45)
Fund Balances - March 31, 2004	\$ 761,678	\$ 944,382	\$ 182,704	\$ 18,380	\$ 30,060	\$ 11,680	\$ 780,058	\$ 974,442	\$ 194,384

The notes are an integral part of the statements.

Township of Columbus
Notes to Financial Statements
For The Year Ended March 31, 2004

The accounting methods and procedures adopted by the Township of Columbus, St. Clair County, Michigan, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the Townships Comprehensive Annual Financial Report.

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Township was incorporated under the laws of the State of Michigan and operates as a General Law Township, with a Township Board form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township (the primary government) and its component units. The component units discussed below are included in the Township reporting entity because of the significance of their operational or financial relationships with the Township.

Component Units - In accordance with generally accepted accounting principles, there are no component units of Government required to be included in the Financial Reporting Entity either as blended component units or discretely presented component units.

Basis of Presentation - Fund Accounting - The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The Township has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

The funds are grouped into fund types and generic funds as described below:

Governmental Fund Types - These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund: This fund is established to account for resources devoted to financing the general services that the Township performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the Township are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds: The Special Revenue Funds are used to account for the proceeds of specific revenue resources (other than assessments or expendable trusts) that are legally restricted to expenditures for specified purposes. These funds include: Building Inspections

Fiduciary Fund Types - These funds account for assets held by the Township as a trustee or agent for individuals, private organization, and other units of governments. These funds are as follows:

Expendable Trust and Agency Funds: These funds, used to account for assets held in trust of as an agent for others, include the Tax (property) Collection Fund, Trust and Agency, and Deferred Compensation Trust.

Account Groups - In addition to the broad types of governmental funds, the Township also maintains one account group as described below:

General Fixed Assets Account Group: This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes.

Township of Columbus
Notes to Financial Statements
For The Year Ended March 31, 2004

Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The Township utilized the cash basis of accounting for all funds.

Budgetary Data - The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the Township Chief Administrative Officer submits to the Township Board a proposed operating budget for the fiscal year commencing April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior April 1, the budget is legally enacted.
4. The budget is used by the Township Board as a management tool during the year for all budgetary funds. The budgets are adopted on a cash basis which is not consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level.
5. Budget amounts are as originally adopted, or as amended by the Township Board. Individual amendments were not material in relation to the original appropriations which were amended.

Cash - The Township does not pool cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Township's investments.

Investments - Debt securities are valued at cost since it is generally the policy of the Township to hold such investments until they mature.

Due To and Due From Other Funds - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Other Assets - Other assets held are recorded and accounted for at cost.

Property, Plant, and Equipment - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, sidewalks, and bridges, are not capitalized. Property, plant, and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group.

Property, plant, and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Fund Equity - The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution. Reserved retained earnings for proprietary funds represent the net assets that have been legally identified for specific purposes.

Township of Columbus
Notes to Financial Statements
For The Year Ended March 31, 2004

Revenues and Expenditures/Expenses - Generally, Revenues for governmental funds, tax revenues, fees, and nontax revenues are recognized when received. Grants from other governments are recorded when qualifying expenditures are paid. Expenditures for governmental funds are recorded when paid.

Property Tax Revenues - Property taxes are levied on December 1 based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every year.

Property taxes are recognized as revenue when they are collected.

Vacation, Sick Leave, and Other Compensated Absences - The Township does not have any contracts or agreements with its employees or elected officials which require the payment of compensation during absence from duty nor do any such benefits vest to the right of the employee or elected official.

Total Columns - The Combined Financial Statements include total columns that are described as memoranda only. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Interfund transactions have not been eliminated from the total column of each financial statement.

2. Stewardship, Compliance, and Accountability

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

3. Cash and Investments

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the Local Unit's cash deposits are as follows:

	<u>Carrying Amount</u>	<u>Bank Balances</u>
Insured (FDIC)	\$ 1,067,355	\$ 1,067,355
Uninsured and Uncollateralized	<u>0</u>	<u>0</u>
Total Deposits	<u>\$ 1,067,355</u>	<u>\$ 1,067,355</u>

All cash deposits and investments of the Township are held by the Township in the Township's name.

Township of Columbus
Notes to Financial Statements
For The Year Ended March 31, 2004

The GASB Statement 3 risk disclosures for the Local Unit's investments are as follows:

Investment Type	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Risk Categorized					
Operating Funds					
US Treasury Bonds					
Investment in Deferred					
Compensation Plans				189,518	189,518
Total Risk-Categorized					
Investments				189,518	189,518

The cash and investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1	Insured or registered, or securities held by the Township or its agent in the Township's name.
Category 2	Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.
Category 3	Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

Amounts invested in the Government Pool are recorded at cost which is also the fair market value. Investments in deferred compensation mutual funds are not categorized, in accordance with GASB No. 3, because they are not evidenced by securities that exist in physical or book entry form.

The investments recorded in the Deferred Compensation Fund are held by Public Employees Benefit Services Corporation, as discussed in note 12.

4. Property Taxes

The Township is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of December of the levy year and must be paid by the following February 14.

Property taxes are not recognized in compliance with NCGAI-3 which states that such revenue is recorded when it becomes measurable and available. Property taxes are recorded as revenue when collected.

The Township levied the following taxes:

General Government Services	<u>0.8144</u> mills
Special Assessment District:	
Garbage Collection per Household	\$98.40

Township of Columbus
Notes to Financial Statements
For The Year Ended March 31, 2004

5. Due To / From Other Funds

As of March 31, 2004, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 383,206	\$ 0
Tax Collection Fund	0	305,732
Trust and Agency Fund	0	87,474
Total	<u>\$ 383,206</u>	<u>\$ 393,206</u>

6. Property, Plant, and Equipment

Activity for general fixed assets that are capitalized by the Township is summarized below:

<u>Assets</u>	<u>Balance April 1, 2003</u>	<u>Addition</u>	<u>Deduction</u>	<u>Balance March 31, 2004</u>
Land - Building and Improvement	\$ 81,892	\$ 0	\$ 0	\$ 81,892
Land - Parks	81,447	0	0	81,447
Land - Cemetery	40,000	0	0	40,000
Hall Addition	176,170	0	0	176,170
Equipment	43,203	7,380	0	50,583
Total	<u>\$ 422,712</u>	<u>\$ 7,380</u>	<u>\$ 0</u>	<u>\$ 430,092</u>

7. Deficit Fund Balance or Retained Earnings Balances of Individual Funds

None

8. Comparative Data

Comparative total data for the prior year has not been presented.

9. Excess of Expenditures Over Appropriations in Budgetary Funds

P.A. 621 of 1978, section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

Township of Columbus
Notes to Financial Statements
For The Year Ended March 31, 2004

During the year ended March 31, 2004, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>Total Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
General Fund			
Township Board	\$ 5,020	\$ 5,528	\$ 508
Clerk	22,572	31,401	8,829
Treasurer	40,742	44,781	4,039
Assessor	41,250	42,969	1,719
General Administration	91,950	105,319	13,369
Insurance	9,000	9,051	51
Park Maintenance & Capital Outlay	1,250	1,531	281
Payroll Taxes	4,000	5,613	1,613
Refuse Collection	0	30,341	30,341
Zoning Board	2,400	4,739	2,339
Street Lights	2,000	2,115	115

Township did not adopt a budget for the Building Inspection Fund for the fiscal year ended March 31, 2004.

10. Post Employment Benefits

The Township does not provide any post employment benefits.

11. Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Township has purchased commercial insurance for the various risks of loss stated above.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage's obtained through commercial insurance during the past year.

12. Deferred Compensation

Employees of the Township may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect To Service For State and Local Governments).

The deferred compensation plan is available to all employees of the Township. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrator. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

The Plans are administered by Public Employees Benefit Service Corporation (PEBSICO). The assets and liabilities held by PEBSICO are reported at market value in the Deferred Compensation Agency Fund. The total amount payable to plan participants is reported as deferred compensation payable.

Supporting Schedules

Township of Columbus
 Combined Statement of Revenues, Expenditures,
 And Changes in Fund Balance - Cash Basis
 Actual Compared to Budget - General Fund
 For The Year Ended March 31, 2004

	General Fund		
	Amended Budget	Actual	Over (Under) Budget
<u>Revenues</u>			
Property Taxes	\$ 109,213	\$ 121,165	\$ 11,952
Garbage Assessment	0	119,458	119,458
State Shared Revenues	300,000	313,587	13,587
Licenses, Permits, & Fees	925	0	(925)
Interest Earnings	4,000	7,893	3,893
Miscellaneous Revenues			
Property Tax Administration Fee	34,159	33,771	(388)
Charges for Services	11,050	42,133	31,083
Refunds & Miscellaneous	400	14,800	14,400
Cemetery Care	3,000	2,225	(775)
Cable TV Fee	11,000	16,589	5,589
Land Reclamation Assessment	0	0	0
County Park Revenue	0	17,583	17,583
Total Miscellaneous Revenue	59,609	127,101	67,492
<u>Total Revenues</u>	<u>\$ 473,747</u>	<u>\$ 689,204</u>	<u>\$ 215,457</u>

Township of Columbus
 Combined Statement of Revenues, Expenditures,
 And Changes in Fund Balance - Cash Basis
 Actual Compared to Budget - General Fund
 For The Year Ended March 31, 2004

<u>Expenditures</u>	<u>General Fund</u>		
	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<u>General Government</u>			
Township Board	\$ 5,020	\$ 5,528	\$ (508)
Clerk	22,572	31,401	(8,829)
Treasurer	40,742	44,781	(4,039)
Supervisor	20,362	17,714	2,648
Assessor	41,250	42,969	(1,719)
General Administration	91,950	105,319	(13,369)
Board of Review	2,310	2,039	271
Township Hall & Grounds	6,000	5,441	559
Elections	900	790	110
Insurance	9,000	9,051	(51)
Cemetery Care & Capital Outlay	3,800	3,526	274
Park Maintenance & Capital Outlay	1,250	1,531	(281)
Payroll Taxes	4,000	5,613	(1,613)
<u>Total General Government</u>	<u>249,156</u>	<u>275,703</u>	<u>(26,547)</u>
<u>Public Safety</u>			
Fire Protection	73,000	49,551	23,449
Planning	26,300	25,540	760
Law Enforcement	2,160	1,941	219
Refuse Collection	0	30,341	(30,341)
Zoning Board	2,400	4,739	(2,339)
<u>Total Public Safety</u>	<u>103,860</u>	<u>112,112</u>	<u>(8,252)</u>
<u>Highways, Streets, & Bridges</u>			
Roads & Bridges	135,000	132,966	2,034
Drains at Large	5,000	4,828	172
Street Lights	2,000	2,115	(115)
<u>Total Highways, Streets, & Bridges</u>	<u>142,000</u>	<u>139,909</u>	<u>2,091</u>
<u>Total Expenditures</u>	<u>495,016</u>	<u>527,724</u>	<u>(32,708)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>(21,269)</u>	<u>161,480</u>	<u>182,749</u>
<u>Fund Balances - April 1, 2003</u>	<u>782,947</u>	<u>782,902</u>	<u>(45)</u>
<u>Fund Balances - March 31, 2004</u>	<u>\$ 761,678</u>	<u>\$ 944,382</u>	<u>\$ 182,704</u>

Township of Columbus
 Combined Statement of Revenues, Expenditures
 And Changes in Fund Balance
 Actual Compared to Budget - Building Fund
 For The Year Ended March 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<u>Revenues</u>			
Licenses & Permits	\$ 0	\$ 73,337	\$ 73,337
Miscellaneous	0	0	0
<u>Total Revenues</u>	<u>0</u>	<u>73,337</u>	<u>73,337</u>
<u>Expenditures</u>			
Building Inspectors:			
Wages	\$ 0	\$ 51,960	\$ (51,960)
Insurance	0	0	0
Office Supplies	0	1,655	(1,655)
Transportation	0	812	(812)
Education & Seminars	0	987	(987)
Memberships & Dues	0	405	(405)
Telephone	0	897	(897)
Payroll Taxes	0	3,975	(3,975)
Miscellaneous	0	966	(966)
<u>Total Expenditures</u>	<u>0</u>	<u>61,657</u>	<u>(61,657)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	0	11,680	11,680
<u>Fund Balances - April 1, 2003</u>	<u>18,380</u>	<u>18,380</u>	<u>0</u>
<u>Fund Balances - March 31, 2004</u>	<u>\$ 18,380</u>	<u>\$ 30,060</u>	<u>\$ 11,680</u>

Township of Columbus
Fiduciary Fund Types
Combined Statements of Assets & Liabilities - Cash Basis
March 31, 2004

	<u>Trust & Agency Funds</u>			
	<u>Trust & Agency Fund</u>	<u>Current Tax Collection Fund</u>	<u>Employees' Deferred Compensation Fund</u>	<u>Total</u>
<u>Assets</u>				
Cash - Checking / Savings	\$ 177,588	\$ 305,732	\$ 0	\$ 483,320
Investments	0	0	189,518	189,518
<u>Total Assets</u>	<u>177,588</u>	<u>305,732</u>	<u>189,518</u>	<u>672,838</u>
<u>Liabilities</u>				
Performance Bonds	89,145	0	0	89,145
Due to General Fund	87,474	305,732	0	393,206
Due to Other Units	969	0	0	969
Deferred Compensation Payable	0	0	189,518	189,518
<u>Total Liabilities</u>	<u>\$ 177,588</u>	<u>\$ 305,732</u>	<u>\$ 189,518</u>	<u>\$ 672,838</u>

LEHN L. KING
CERTIFIED PUBLIC ACCOUNTANT

Phone 989-635-3113
Fax 989-635-5580

3078 S. MAIN STREET
MARLETTE, MICHIGAN 48453

June 3, 2004

Members of the Township Board
Columbus Township
St. Clair County, Michigan

Board Members:

In accordance with your request, I have made an examination of the financial statements of Columbus Township for the fiscal year ended March 31, 2004. During the course of my examination, the following item came to my attention.

- 1) It is my opinion that the Tax Account should be zeroed out as of the end of the fiscal year. The Tax Account is a Trust and Agency Account and should distribute the funds to the appropriate Agency or Government Fund within a reasonable amount of time.
- 2) The Township could increase its efficiency by using the Quickbooks Payroll Function to compute and process the Township payroll.
- 3) The Township did not adopt a budget for the Building Inspection Fund. The State requires a budget to be adopted for all the Funds of the Township and this would include the Building Inspection Fund.

From an overall viewpoint, Columbus Township is in good financial condition. The financial records maintained by the Township are in good order.

I thank the Township officials for the cooperation I received in the completion of this examination. Should you have any questions in connection with the above, please contact me at your convenience.

Sincerely,

Lehn King

Lehn L. King, C.P.A.